GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:2294
ANSWERED ON:17.03.2005
IMPORT OF LIQUEFIED NATURAL GAS
Patil Shri Balasaheb Vikhe

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government has taken a decision to the effect that companies importing liquefied natural gas will have to use Indian flagged vessels only;

(b) if so, the details and the reasons therefor;

(c) whether this decision will have any impact on the commissioning of Hazira terminal;

(d) if so, the details thereof; and

(e) the steps taken by the Government for early commissioning of Hazira terminal?

Answer

MINISTER OF PETROLEUM & NATURAL GAS & PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) & (b): In terms of Director General (Shipping)'s guidelines of 5th July 2004, no licence shall be granted for any chartered LNG vessel unless:-

(i) the said LNG vessel is an Indian flag vessel; and

(ii) the 'Indian partner' owns the LNG vessel wholly or owns not less than 26% of the ownership of the company owning the said LNG vessel.

It has been, inter-alia, mentioned in the guidelines that the object of this policy is to promote Indian tonnage in general and LNG tonnage in particular.

(c) to (e): M/s Shell Hazira Gas Pvt. Ltd., the promoter of the Hazira LNG terminal, have submitted that the stipulation requiring the use of Indian flag LNG ships for the import of LNG could adversely impact on the commissioning and commercial operations of the Hazira LNG terminal.

The matter is under examination.